

Revision

INSTRUCTIONS: INSERT CORRECT ANSWER ON THE LINE PROVIDED

1. The study of business basic equip students to become all of the following EXCEPT.  

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  - a. entrepreneurs
  - b. managers
  - c. employers
  - d. employees
  
2. In a partnership, the business agreement between partners is called a partnership  

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  - a. deed
  - b. deal
  - c. document
  - d. draw
  
3. A sole trader knows when he admits another partner he will have to:  

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  - a. share profits
  - b. share employees
  - c. share customers
  - d. share suppliers
  
4. A business that is owned by a maximum of twenty persons is known as a  

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  - a. small business
  - b. partnership
  - c. company
  - d. sole trader
  
5. Which of the following is a disadvantage of a sole proprietorship?  

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  - a. Owner bears all risk
  - b. Decisions are made quickly
  - c. Close relationship with customers
  - d. Few legal requirements.
  
6. A sole trader differs from a partnership due to the number of  

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  - a. owners
  - b. suppliers
  - c. employees
  - d. customers
  
7. A partnership is a business that is operated by a minimum of  

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  - a. one person
  - b. two persons
  - c. twenty persons
  - d. three persons
  
8. Capital refers to the money contributed to the business by the  

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  - a. customers
  - b. government
  - c. owners
  - d. suppliers

9. Due to a business failure the owner is forced to repay money from his personal belongings, this risk is called

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- a. unlimited liability
  - b. unlimited access
  - c. limited liability
  - d. liability

10. The role of the dormant partner is to

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- a. meet with clients
  - b. make managerial decisions
  - c. hand over the deed to shareholders
  - d. finance the business